

ORIGINAL

Arizona Corporation Commission

DOCKETED

OCT 14 2016

DOCKETED BY



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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

DOUG LITTLE, CHAIRMAN
BOB BURNS
TOM FORESE
BOB STUMP
ANDY TOBIN

RECEIVED
AZ CORP COM
DOCKET COMM
OCT 14 PM 1:40

IN THE MATTER OF THE
APPLICATION OF ARIZONA PUBLIC
SERVICE COMPANY FOR A HEARING
TO DETERMINE THE FAIR VALUE OF
THE UTILITY PROPERTY OF THE
COMPANY FOR RATEMAKING
PURPOSES, TO FIX A JUST AND
REASONABLE RATE OF RETURN
THEREON, TO APPROVE RATE
SCHEDULES DESIGNED TO DEVELOP
SUCH RETURN.

DOCKET # E-01345A-16-0036

IN THE MATTER OF FUEL AND
PURCHASED POWER PROCUREMENT
AUDITS FOR ARIZONA PUBLIC
SERVICE COMPANY

DOCKET # E-01345A-16-0123

**RESPONSE TO CHAIRMAN
LITTLE'S OCTOBER 4, 2016
MEMORANDUM AND CALL FOR
HIS RECUSAL**

Warren Woodward, Intervenor in the above proceeding, hereby responds to

Chairman Doug Little's October 4, 2016 Memorandum, and in so doing, demands Chairman Little ("Little") recuse himself from the proceeding for the reason that Little, by promoting the interests of the Consumer Energy Alliance, is biased in favor of large-scale utility solar and opposed to distributed rooftop solar. As a result, Little should recuse himself from the APS rate case in order to avoid a later legal challenge to the Corporation Commission's decision in that case.

On October 4, 2016, Chairman Little ("Little") submitted to the docket a document he received that pertains to the above docket numbers. That was an action Little had performed 19 times previously in this APS rate case. What makes Little's October 4th submission different – and an obvious sign of bias – is, in the October 4th instance, Little chose to promote the document by also sending the document to all parties on the APS rate case Service List.

I did not intervene in this APS rate case to address the solar net metering issue but it is obvious that Little's October 4th document is misleading propaganda *for* industrial scale (i.e., APS owned) solar installations, and *against* distributed rooftop solar.

The function of Arizona Corporation Commission commissioners in a rate case is to act as impartial judges. Yet here we have the ACC Chairman himself promoting the interests of the so-called and misnamed "Consumer Energy Alliance," the author of the document. The Consumer Energy Alliance is misnamed because according to both SourceWatch and the Energy and Policy Institute (see Exhibits A & B), the Consumer

Energy Alliance (“CEA”) is an “astroturf” front for the fossil fuel industry.

The Energy and Policy Institute has exposed the CEA document that Little promoted:

Consumer Energy Alliance has also attacked policies supportive of solar energy, while deliberately misleading the public with claims that it is “pro-solar.” In September of 2016, CEA released a report criticizing solar tax credits and solar net metering, which compensates solar customers for the excess solar energy they sell back to their utilities. The report admittedly ignores the robust studies that quantify the values of solar power, which are substantial. The CEA report also confuses rebates offered by utilities with government policies and criticizes third-party solar ownership models.

While CEA provides grist for attacks on solar policies, it cynically claims to be “pro-solar,” including a petition on its web site with misleading language for the public to sign, including: “As American energy consumers, we call on policy makers to create policies that are pro-solar, pro-grid and pro-consumer.”

Aside from that vague petition, all of CEA’s actual policy positions are in favor of fossil fuel investment. A microsite that CEA maintains, www.solarenergyfuture.org, offers no pro-solar advocacy, and thinly-veiled utility attacks on rooftop solar companies.

The strategy of appearing to promote solar while attacking it is straight from the utility industry’s playbook, both in terms of its revamped “pro-clean energy” messaging designed to confuse, and its political tactics; Florida Power & Light, a CEA member, has been the leading funder of Amendment 1, a Florida ballot initiative with confusing “pro-solar” language, but which could cripple the already stunted solar market there. CEA has, unsurprisingly, supported Amendment 1.

In addition to Florida Power & Light, other utility backers of CEA include Ameren Missouri, Dominion Resources, Entergy, Public Service of New Mexico, and SCANA. Utility trade groups like the Edison Electric Institute, National Rural Electric Cooperative Association and Nuclear Energy Institute also are members.

(Exhibit B. For active hyperlinks see
www.energyandpolicy.org/consumer-energy-alliance/)

As I mentioned, there were 19 other times Little submitted documents that he had received to the APS rate case docket, but he did not choose to promote those documents by sending them to the Service List as well. One can only assume that is because those documents consisted of 342 letters and 44 emails from individuals who, with one exception, are all against what APS wants in their rate case. Some of the letters and emails contained some very well reasoned and detailed arguments, yet Little did not promote those like he promoted the bogus CEA report.

My personal favorite email was posted to the docket by Little on June 3, 2016. Mr. James Bullock was prescient, and I hereby echo his sentiment and call for Little to recuse himself from the APS rate case.

Mr. Little,

If you do not recuse yourself from voting on the APS rate hike because of your obvious conflict of interest you will be proving to the world that you are just a stooge of APS.
James Bullock

RESPECTFULLY SUBMITTED this 12th day of October, 2016.

By

A handwritten signature in black ink, appearing to read "Warren Woodward", written in a cursive style.

Warren Woodward
200 Sierra Road
Sedona, Arizona 86336

Original and 13 copies of the foregoing mailed on this 12th day of October, 2016 to:

Arizona Corporation Commission
Docket Control
1200 West Washington Street
Phoenix, Arizona 85007

Copies of the foregoing mailed/e-mailed this 12th day of October, 2016 to:

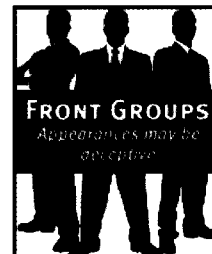
Service List

EXHIBIT A

(See www.sourcewatch.org/index.php/Consumer_Energy_Alliance for live hyperlinks)

Consumer Energy Alliance

The **Consumer Energy Alliance** (CEA) is a nonprofit organization and a front group for the energy industry that opposes political efforts to regulate carbon standards while advancing deep water and land-based drilling for oil and methane gas. The CEA supports lifting moratoria on offshore and land-based oil and natural gas drilling, encourages the creation and expansion of petroleum refineries and easing the permitting process for drilling. The group also says it supports energy conservation. CEO portrays itself as seeking to ensure a "proper balance" between traditional non-renewable and extractive energy sources and alternative energy sources. The group also supports construction of the Keystone XL Pipeline. [1][2][3]



This article is part of the Center for Media & Democracy's spotlight on front groups and corporate spin.

According to Salon.com, which obtained over 300 emails of personal messages between lobbyists and Canadian officials, the CEA is part of a sophisticated public affairs strategy designed to manipulate the U.S. political system by deluging the media with messaging favorable to the tar-sands industry; to persuade key state and federal legislators to act in the extractive industries' favor; and to defeat any attempt to regulate the carbon emissions emanating from gasoline and diesel used by U.S. vehicles. [4]

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- 3 Board of Directors
- 4 Energy industry supporters/affiliates of CEA
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Formation and history

The CEA was created in the late 2000s by Michael Whatley, a founding partner of a Washington, D.C.-based Republican lobbying group HBW Resources that has close ties to the Alberta, Canada tar sands industry. In a January 25, 2010 pro-industry strategy proposal to an Alberta government official, Whatley wrote that he was interested in "conducting a grassroots operation" in "target states" that would "generate significant opposition to discriminatory low carbon fuels standards" that were created to address climate change. Whatley created the CEA with backing from big energy producers BP, Chevron, ExxonMobil, Marathon, Shell and the Norwegian energy company Statoil. Despite its backing by big corporations, the group claimed it provided "a voice for consumers interested in vital public issues." [5]

A December 15, 2011 article in *Salon.com* reported that

In August 2009, it began running a series of slick radio and TV ads in Tennessee, Montana and the Dakotas, warning that such policies “threaten thousands of American jobs” and “would be disastrous for American consumers.” Each ad instructed viewers to complain to their state’s representatives in Congress, providing phone numbers to make it easier.[6]

E-mails obtained under the U.S. Freedom of Information Act reveal the relationship between the Consumer Energy Alliance and the energy industry, and show the group is part of a coordinated astroturf strategy to create an echo chamber putting forth pro-industry messaging. [7]

Outer Continental Shelf Governors Coalition

The Outer Continental Shelf Governors Coalition (OCSGC) was founded in 2011 and claims to be comprised of "nine coastal state governors who support policies that encourage an expansion of American energy, particularly U.S. offshore energy resources." [8] However, a 2015 investigation by The Institute for Southern Studies found that the group "is largely run and managed by two groups tied to the oil and gas industry," HBW Resources and the CEA. [9] The Center for Public Integrity also reports that "much of the governors coalition work has been carried out by HBW Resources and CEA, a group that's channeled millions in corporate funding to become a leading advocate at the state level for drilling." [10]

Board of Directors

The CEA's Board of Directors includes lobbyists for extractive energy industries:

- David Blackmon, Director of Government Affairs (lobbyist) for the El Paso Corporation, a methane gas drilling and pipeline company based in Houston, Texas. Blackmon previously served as Communications Manager for Shell Oil Company. [11][12]
- Dave Harbour, Executive Director of the Consumer Energy Alliance of Alaska. He coordinated public relations strategies for two dozen gas pipeline members of Arctic Gas Consortium the lobby Congress to support passage of the Alaska Natural Gas Transportation Act of 1976. [13]
- David Holt, President (and a managing partner at the oil and energy industry lobbying group HBW Resources) [14]
- John Heimlich, formerly with United Airlines financial planning
- Melissa Taldykin, formerly of the Carlyle Group
- Rich Moskowitz, a lawyer for the trucking industry [15]

Energy industry supporters/affiliates of CEA

- Alyeska Pipeline Service Company
- American Association of Petroleum Geologists
- American Exploration & Production Council
- American Gas Association
- American Petroleum Institute
- American Public Gas Association
- American Public Power Association

- Apache Corporation
- Association of Oil Pipe Lines
- Barney's Pumps, Inc.
- BP
- CCC Group, Inc.
- The Center for North American Energy Security
- Chevron
- Choice! Energy
- Comanco
- Delta American Fuels
- Devon Energy Corporation
- [[El Paso Energy Corporation
- Environmentally Conscious Consumers for Oil Shale
- Environmentally Friendly Drilling Project
- Exelon Corporation
- ExxonMobil
- Florida Handling Systems
- Florida Petroleum Council
- Foresight Wind
- Gas Technology Institute
- Green Earth Fuels
- Greenline Industries
- Gulf Coast Clean Energy Application Center
- Halliburton
- HD Supply
- Hess Corporation
- Houston BioDiesel
- Houston Clean Energy Park
- Houston Renewable Energy Network
- HT/DcR Engineering, Inc.
- Independent Petroleum Association of America
- Interstate Oil & Gas Compact Commission
- Lakeridge Energy Corporation
- Marathon Corporation
- Material Transfer Industries, LLC
- Metal Treating Institute
- Moretrench
- MS Industrial Corporation
- National Algae Association
- National Ocean Industries Association
- National Petrochemical and Refiners Association
- Natural Gas Supply Association
- New England Fuel Institute
- Nuclear Energy For Texans

- Nuclear Energy Institute
- Ocean Energy Institute
- Offshore Energy Center
- Peabody
- Petrohawk Energy Corporation
- Sasol
- Shell Oil
- Smith Brothers Oil
- Society for Mining, Metallurgy & Exploration
- StatoilHydro
- Tampa Tanks, Inc.
- Texas Alliance of Energy Producers
- Trans Pacific Oil Corporation
- U.S. Oil & Gas Association

Sourcewatch resources

- Astroturf
- Front groups

External resources

Contact

Consumer Energy Alliance
 2211 Norfolk
 Suite 614
 Houston, Texas 77098
 713.337.8800
info@consumerenergyalliance.org

References

1. Consumer Energy Alliance CEA Encouraged by passage of of Legislation to Move Forward Keystone XL Project, news release posted on organizational website, undated, accessed December 19, 2011
2. Consumer Energy Alliance CEA Applauds Passage of Keystone XL Legislation, news release, undated, accessed December 19, 2011
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4. Geoff Dembicki Big Oil and Canada Thwarted U.S. Carbon Standards, published article, December 15, 2011
5. Geoff Dembicki Big Oil and Canada Thwarted U.S. Carbon Standards, published article,

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6. Geoff Dembicki Big Oil and Canada Thwarted U.S. Carbon Standards, published article, December 15, 2011
 7. Geoff Dembicki Slide Show, copies of internal emails obtained through FOIA by Salon.com, Salon.com, accessed December 19, 2011
 8. Outer Continental Shelf Governors Coalition, "Homepage," organizational website, accessed May 2015.
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 10. Nicholas Kusnetz, "Governors and oil industry work hand in hand in offshore drilling group," *Center for Public Integrity*, November 24, 2014.
 11. El Paso Profile Overview, corporate website, accessed December 19, 2011
 12. Consumer Energy Alliance David Blackmon, biosketch, accessed December 19, 2011
 13. Consumer Energy Alliance Dave Harbour, APR, biosketch, accessed December 19, 2011
 14. LinkedIn David Holt, Professional profile, accessed December 19, 2011
 15. Consumer Energy Alliance Board of Directors, organizational website, accessed December 19, 2011

EXHIBIT B

(See www.energyandpolicy.org/consumer-energy-alliance/ for live hyperlinks)

Consumer Energy Alliance

Consumer Energy Alliance (CEA) is a fossil fuel-funded advocacy group, run out of the offices of the PR firm HBW Resources. HBW is headed by David Holt, Andrew Browning, and Michael Whatley. BP, Chevron, ExxonMobil, Marathon, Shell and Norway's Statoil are among CEA's key financially backers, and many of these companies also happen to have deep ties to the Alberta tar sands. CEA supports lifting moratoria on offshore and land-based oil and natural gas drilling, and encourages the creation and expansion of petroleum refineries and easing the permitting process for drilling.

A 2015 investigation by The Institute for Southern Studies found that the Outer Continental Shelf Governors Coalition (OCSGC), "is largely run and managed by two groups tied to the oil and gas industry" HBW Resources and the CEA.

CEA claims to be "pro-solar" but is an anti-solar utility front group

Consumer Energy Alliance has also attacked policies supportive of solar energy, while deliberately misleading the public with claims that it is "pro-solar." In September of 2016, CEA released a report criticizing solar tax credits and solar net metering, which compensates solar customers for the excess solar energy they sell back to their utilities. The report admittedly ignores the robust studies that quantify the values of solar power, which are substantial. The CEA report also confuses rebates offered by utilities with government policies and criticizes third-party solar ownership models.

While CEA provides grist for attacks on solar policies, it cynically claims to be "pro-solar," including a petition on its web site with misleading language for the public to sign, including: "As American energy consumers, we call on policy makers to create policies that are pro-solar, pro-grid and pro-consumer."

Aside from that vague petition, all of CEA's actual policy positions are in favor of fossil fuel investment. A microsite that CEA maintains, www.solarenergyfuture.org, offers no pro-solar advocacy, and thinly-veiled utility attacks on rooftop solar companies.

The strategy of appearing to promote solar while attacking it is straight from the utility industry's playbook, both in terms of its revamped "pro-clean energy" messaging designed to confuse, and its political tactics; Florida Power & Light, a CEA member, has been the leading funder of Amendment 1, a Florida ballot initiative with confusing "pro-solar" language, but which could cripple the already stunted solar market there. CEA has, unsurprisingly, supported Amendment 1.

In addition to Florida Power & Light, other utility backers of CEA include Ameren Missouri, Dominion Resources, Entergy, Public Service of New Mexico, and SCANA. Utility trade groups like the Edison Electric Institute, National Rural Electric Cooperative Association and Nuclear Energy Institute also are members.

CEA works with Partnership for Affordable Clean Energy (PACE), which is also an anti-clean energy front group that often advocates for the positions of fossil fuel and utility interests, and has close ties to the Southern Company and its subsidiaries. PACE has promoted and hosted commentary by CEA on the benefits of fracking for Florida.

CEA has been caught repeatedly submitting fraudulent letters

In 2015, Consumer Energy Alliance was caught submitting a fraudulent petition which attacked net metering and defended utility companies' fixed-rate increase proposals in Wisconsin. CEA submitted

names of 2,500 state residents that “supported” the utilities’ proposals. *Madison Capital Times* revealed that certain people on the CEA petition were in fact against the proposal. The PSC then dismissed the petition saying it would not be included in the record.

In September of 2016, a group of Ohio property owners asked the postal inspection service and FERC to conduct a criminal review of CEA. CEA had sent 347 letters to FERC supportive of a pipeline proposed by Nexus Gas Transmission, using the names of local residents, including an Ohio man who has been dead since 1998. The complaint can be viewed on FERC’s website, and includes affidavits from 14 Ohio residents who deny writing letters approving the pipeline as well as giving permission to the CEA to write letters on their behalf. Spectra Energy is a partner in the construction of The Nexus Gas Transmission line. It is also a member of CEA.

Recent Posts About Consumer Energy Alliance

Consumer Energy Alliance, group behind fraudulent petitions and letters signed by dead people, releases anti-solar report

The Consumer Energy Alliance, a front group for fossil fuel companies and utilities, released a report last month attacking policies that support solar power.

Atlantic Offshore Drilling Plans Continue: Fossil Fuel Front Groups Meet Privately With Federal Agencies

Update March 15, 2016: The Obama administration said it will not auction off drilling rights for Atlantic Ocean waters off the coast of Virginia, North Carolina, South Carolina, Georgia and Florida. However, the Department of Interior will consider the sale of drilling rights in three spots in the Arctic [...]

Consumer Energy Alliance, group behind fraudulent petitions and letters signed by dead people, releases anti-solar report

The Consumer Energy Alliance, a front group for fossil fuel companies and utilities, released a report last month attacking policies that support solar power.

Attacks on Clean Power Plan Based on Flawed Reports

This briefing outlines the studies frequently used by special interests, details who has been paid or consulted in the production of these reports, and exposes the front groups involved in circulating the reports.

Industry-funded Front Groups Working Together To Fight Clean Power Plan

These ten industry-funded front groups have been working to stop the Obama Administration’s Clean Power Plan regulations seeking to combat climate change.